



California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC REPORT SHOWS RENEWABLE CONTRACT PRICES HIT HISTORIC LOW

SAN FRANCISCO, May 4, 2020 – The California Public Utilities Commission (CPUC) released its annual report on the Renewables Portfolio Standard (RPS) program, showing contract prices reached a historic low in 2019.

In its 2020 Padilla Report to the Governor and the Legislature regarding the costs of all electricity procurement contracts for eligible renewable energy resources, the CPUC reported that RPS contract prices reached a historic low of 2.82 ¢/ per kilowatt-hour (kWh) in 2019 for RPS-eligible energy across all technology types and dropped an average of 12.7 percent per year between 2007 and 2019.

The CPUC also reported that large investor-owned utilities and small and multi-jurisdictional utilities either met or exceeded their RPS procurement of renewable obligations. Community choice aggregators and electric service providers collectively forecast a procurement shortfall that they plan to meet by conducting additional procurement.

Among the report's findings:

- Large investor-owned utilities' average procurement expenditure for all RPS contracts online decreased from 10.57 ¢/kWh in 2018 to 10.23 ¢/kWh in 2019 and total annual RPS procurement expenditures decreased from \$5.6 billion in 2018 to \$5.4 billion in 2019.
- RPS expenditures as a percent of total generation costs are on par with non-renewables expenditures. For example, 44.9 percent of the large investor-owned utilities' total generation was from RPS-eligible resources and expenditures on renewable generation was 42.4 percent of the large investor-owned utilities' total generation costs.



- Community choice aggregators increased their procurement of renewables generation by 55 percent to 15,500 gigawatt-hours (GWh) and executed the majority of new RPS contracts in 2019.

The California RPS program requires investor-owned utilities, electric service providers, and community choice aggregators to procure 33 percent of retail sales per year from eligible renewable sources by 2020 and 60 percent by 2030. In 2018, Senate Bill (SB) 100 was signed by then-Governor Brown, setting a target goal of a 100 percent carbon free electric grid by 2045. In June 2019, the CPUC began implementing SB 100, setting the RPS procurement quantity requirement beginning in 2021.

The report is available at: <https://bit.ly/3fcBGXF>.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

###

